

## ANALYZE EXTERNAL FACTORS TO INFORM YOUR GROWTH POLICY

EXTERNAL FACTOR	ANALYSIS	RESOURCES NEEDED
Client demand (potential market)	Understand demand by client type in order to estimate the structure of portfolio (average disbursement, type of product, loan term, historical savings growth, trend in average daily savings balances).	<ul style="list-style-type: none"> <li>• Market research<sup>126</sup></li> <li>• Credit bureau information data available from central bank, national/regional network</li> <li>• Global Findex dataset<sup>127</sup></li> <li>• Feedback from branches</li> </ul>
Market penetration	Estimate the total market penetration (clients served by you and your competitors compared to the potential market) in your operational areas. Calculate the likely evolution of this penetration based on your target growth rates and that of your competitors. In the absence of other data, assume that your competitors will grow at the same pace as your institution	<ul style="list-style-type: none"> <li>• Competitors<sup>128</sup> current outreach and estimated growth rates</li> <li>• Data from regulatory authorities, feedback from branch/regional teams</li> </ul>
Market saturation	Gather all data that can help you identify potential problems of market saturation (cases where the offer of credit exceeds the sustainable demand for credit): incidence of multiple loans, loan amounts compared to income levels, competitors' PAR levels over time, competitors' growth rates over time.	<ul style="list-style-type: none"> <li>• MIMOSA<sup>129</sup></li> <li>• Global Findex dataset</li> <li>• Credit bureau information</li> <li>• National statistics institute (data on micro entrepreneurs)</li> <li>• Feedback from branches</li> </ul>
Market infrastructure	Check information from the credit bureau and/or other client information exchange systems, as well as the estimated level of use of informal credit providers. Check whether all main competitors report to the credit bureau (including store credit information for example).	<ul style="list-style-type: none"> <li>• Credit bureau data</li> <li>• Feedback from branches</li> <li>• Global Findex dataset indicators for informal sources of lending</li> </ul>